



January 28, 2025 – Tuesday

Economy

Budget 2025: Brokerages predict income tax cuts, consumption boost

India's federal government is expected to use next month's budget to stimulate economic growth through measures such as income tax cuts, although a significant increase in capital expenditure appears unlikely, multiple brokerages said. India's benchmark indexes have fallen about 7% since the government's last budget announcement on July 23, 2024, on concerns about slowing economic growth, corporate earnings, U.S. trade policy and persistent foreign outflows. The Nifty 50 and Sensex are set for their fourth straight month of losses in January, which would be their longest monthly losing streak in more than 23 years.

https://www.business-standard.com/budget/news/budget-2025-brokerages-predict-income-tax-cuts-consumption-boost-125012700697_1.html

Govt expedites hiring to tackle 86% vacant director posts in central PSUs

As of December 2024, nearly 86 per cent of independent director positions in Central Public Sector Enterprises (CPSEs) remained vacant, a sharp rise from 59 per cent just two months prior. This situation has prompted the government to accelerate the recruitment process, according to a report in *The Economic Times*, citing sources. Official data reveals that 648 of approximately 750 independent or non-official director roles on CPSE boards were unfilled by the end of December. This represents a significant increase from 392 vacancies in September and 441 in October, largely due to the expiry of many directors' terms in recent months.

https://www.business-standard.com/india-news/govt-expedites-hiring-to-tackle-86-vacant-director-posts-in-central-psus-125012700427_1.html

Budget 2025: Govt to bring Rs 2.67 lakh credit-linked subsidy back under Pradhan Mantri Awas Yojana for all?

As the Union Budget 2025-26 approaches, home loan borrowers across India are hopeful that Finance Minister Nirmala Sitharaman will introduce policies that ease the financial burden on homeowners and make homeownership more accessible. Among many expectations, homebuyers hope the government reintroduces the Credit Linked Subsidy Scheme (CLSS) for MIG category also under the Pradhan Mantri Awas Yojana, under which a subsidy of up to Rs 2.67 lakh was offered to eligible beneficiaries.

<https://www.financialexpress.com/money/budget-2025-govt-to-bring-rs-2-67-lakh-credit-linked-subsidy-back-under-pradhan-mantri-awas-yojana-for-all-3727475/>

Raise Budget allocation in upskilling schemes for good workforce

Ahead of the Union Budget, Tata Technologies on Monday called for increased allocation toward upskilling initiatives aligned with Industry 4.0 to create a future-ready workforce. In order to achieve India's ambitious goals outlined in the roadmap for a \$5 trillion economy, the budget should prioritise innovation-driven policies, investments in emerging technologies, and the development of products in India, for India and the world, Tata Technologies CEO & MD Warren Harris said in a statement. Key growth drivers such as smart manufacturing, AI, digital transformation, and software-defined vehicles (SDVs) require strong government backing through incentives for R&D, skill development, and infrastructure enhancement, he noted.

https://www.business-standard.com/companies/news/raise-budget-allocation-in-upskilling-schemes-for-good-workforce-tata-tech-125012700559_1.html

Finance

RBI announces measures to manage liquidity conditions

The Reserve Bank of India will conduct operations to inject liquidity into the banking system. These include OMO purchase auctions of ₹60,000 crore in three tranches (Jan 30, Feb 13, and Feb 20, 2025), a 56-day Variable Rate Repo auction for ₹50,000 crore on February 7, 2025, and a USD/INR Buy/Sell Swap auction of USD 5 billion on January 31, 2025.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-announces-measures-to-manage-liquidity-conditions/articleshow/117604963.cms>

RBI governor Sanjay Malhotra flags risks, exhorts banks to ensure fin stability, inclusion

Reserve Bank of India (RBI) governor Sanjay Malhotra flagged the rise in digital frauds and advised banks to establish robust and proactive systems to thwart such attempts in his first meeting with bank CEOs on Monday. He also exhorted banks to ensure financial stability, deepen financial inclusion, improve digital literacy, enhance availability and affordability of credit, RBI said in a press release.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-governor-sanjay-malhotra-lags-risks-exhorts-banks-to-ensure-fin-stability-inclusion/articleshow/117608283.cms>

Finance ministry pushes PSBs to boost affordable insurance coverage

The Union finance ministry has asked public-sector banks (PSBs) to intensify expanding the coverage of government-backed affordable life insurance schemes under its financial-inclusion initiative, according to a senior government official. "In financial-inclusion schemes, banks are performing well in opening accounts and other initiatives. However, insurance-related components are underperforming. As of December 2024, the enrolment targets and achievements for the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) across various banks, including sponsored Regional Rural Banks (RRBs), show that only about half the annual target has been met," the official said.

https://www.business-standard.com/economy/news/finance-ministry-pushes-psbs-to-boost-affordable-insurance-coverage-125012701201_1.html

Reserve Bank of India tightens vigil on P2P lending after revising rules

The Reserve Bank of India (RBI) has intensified its scrutiny of peer-to-peer (P2P) lending platforms by seeking qualitative details about their operations, months after revising guidelines for these firms. The central bank has sent a comprehensive questionnaire to eight financial technology companies in the P2P lending space. In mid-December, the RBI issued an 18-point questionnaire, requiring responses by January 3. Many of the points included sub-questions requesting information about operations following the revision of P2P norms in August.

https://www.business-standard.com/finance/news/reserve-bank-of-india-tightens-vigil-on-p2p-lending-after-revising-rules-125012700976_1.html

Credit cards more than double in 5 years, debit cards stable: RBI report

The number of credit cards has more than doubled to around 10.80 crore in five years through December 2019 but the number of debit cards has remained relatively stable, says a Reserve Bank report released on Monday. The report also said digital payments in India have grown exponentially in the last decade. While in calendar year (CY)-2013 there were 222 crore digital transactions valued at Rs 772 lakh crore, it has increased 94 times in volume and more than 3.5 times in value to over 20,787 crore transactions valued at Rs 2,758 lakh crore in CY-2024.

https://www.business-standard.com/finance/news/credit-cards-more-than-double-in-5-years-debit-cards-stable-rbi-report-125012701320_1.html

Slowdown in retail credit growth amid cooling consumer demand: CIBIL

The retail credit sector, a key driver of bank lending, is experiencing a slowdown. Data from credit bureau CIBIL indicates that growth in major retail credit segments such as home loans, auto loans, credit cards, and consumer durable loans decelerated by the end of September 2024.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/slowdown-in-retail-credit-growth-amid-cooling-consumer-demand-cibil/articleshow/117602428.cms>

UPI dominates digital payments, sees explosive growth over five years

The United Payments Interface (UPI) has become the dominant force in India's digital payments landscape, accounting for 83% of the total payment volume by the end of 2024, according to the Payments System Report by the Reserve Bank of India (RBI). This is a massive increase from just 34% at the end of 2019. Meanwhile, the share of other payment systems such as RTGS, NEFT, IMPS, credit cards, and debit cards dropped from 66% to just 17% over the same period.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/upi-dominates-digital-payments-sees-explosive-growth-over-five-years/articleshow/117610448.cms>

Industry

Union Budget: Manufacturing sector calls for pro-local manufacturing policies, GST reductions, and tax reforms

Days ahead of the Union Budget 2025-26 on February 1, the industry players in the manufacturing sector have called for favourable policies boosting local manufacturing, reducing GST on consumer durables, and tax reforms to increase disposable incomes and stimulate consumer spending.

<https://economictimes.indiatimes.com/news/economy/policy/union-budget-manufacturing-sector-calls-for-pro-local-manufacturing-policies-gst-reductions-and-tax-reforms/articleshow/117603370.cms>

5G boom fuels surge in used smartphone demand in India, led by iPhones

The expansion of 5G networks in India has spurred demand for used smartphones, outpacing growth of new devices—albeit off a smaller base—with premium models like iPhones seeing big demand from consumers who are aspirational but also bargain-hunting.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/5g-boom-fuels-surge-in-used-smartphone-demand-in-india-led-by-iphones/articleshow/117610233.cms>

Sports can become key to India's developed nation dream by 2047: Mandaviya

Sports can become an important pillar in India's march to become a developed nation by 2047 when it celebrates the centenary year of independence, Union Minister Mansukh Mandaviya said here on Monday. Highlighting the importance of research and innovation, Mandaviya said, "If we fail to conduct research and implement new ideas, we will lag in a continuously progressing world." He said, "When we promote sports, we find solutions to many issues. It is for this reason that PM Modi gave the slogans of 'Khelo India' and started a 'Fit India' campaign to keep citizens fit."

https://www.business-standard.com/india-news/sports-can-become-key-to-india-s-developed-nation-dream-by-2047-mandaviya-125012700573_1.html

Two-wheeler companies expect sales to reach pre-Covid highs in FY26

Motorcycle and scooter sales in India are predicted to grow by 8-10% next fiscal, driven by strong rural demand, decreasing urban inflation, and a higher number of wedding dates. Sales are expected to surpass the pre-Covid peak, potentially exceeding 21.18 million units, with a significant contribution from electric vehicles.

<https://economictimes.indiatimes.com/industry/auto/two-wheelers-three-wheelers/two-wheeler-companies-expect-sales-to-reach-pre-covid-highs-in-fy26/articleshow/117610124.cms>

Tax rebate for scrapping vehicles may be doubled

The ministry of road transport and highways has proposed to double the rebate on one-time motor vehicle tax for buyers who scrap their BS-II or older emission standard vehicles and purchase new ones. At present, the government offers a discount of 25% in motor vehicle tax on purchase of a new vehicle to those who scrap their old personal vehicles. For commercial vehicles, the rebate is capped at 15%.

<https://economictimes.indiatimes.com/industry/auto/auto-news/tax-rebate-for-scrapping-vehicles-may-be-doubled/articleshow/117610134.cms>

India must aim for strategic autonomy in IP/products in new unipolar world: EPIC Foundation

India needs to urgently build strategic autonomy in chip technology, emphasizing Indian-made chips for government use, says Ajai Chowdhry. The development of RISC-V chip technology at IIT-Madras is a significant milestone. Chowdhry urged the government to prioritize high-quality chips and develop key products domestically, with significant budget allocation to achieve self-sufficiency in the semiconductor industry.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/india-must-aim-for-strategic-autonomy-in-ip/products-in-new-unipolar-world-epic-foundation/articleshow/117599592.cms>

India to call for proposals for building its own AI foundational model : GoI official at GIFT City

In order to compete with foreign AI foundational models that form the base of many applications like ChatGPT and Gemini, India is calling for proposals for building its own foundational model, said Abhishek Singh, additional secretary, Union Ministry of Electronics and Information Technology (MeitY) during his visit to GIFT City in Gujarat, Monday.

<https://www.thehindubusinessline.com/news/india-to-call-for-proposals-for-building-its-own-ai-foundational-model-goi-official-at-gift-city/article69146123.ece>

Retailers posted 5% growth in December: Retailers Association of India

Retailers reported 5 per cent growth impacted by inflationary pressures in December over same period last year, as per the latest survey by Retailers Association of India (RAI). The industry is now hoping for measures in the upcoming budget to boost consumption.

<https://www.thehindubusinessline.com/economy/retailers-posted-5-growth-in-december-retailers-association-of-india/article69146013.ece>

Price hikes loom for essentials & electronics as companies tackle rising costs

Companies are set to increase prices of daily essentials and electronics due to rising input costs and rupee depreciation. FMCG firms like Hindustan Unilever and Godrej plan further price hikes despite slowing demand to protect margins. The cost of raw materials such as palm oil and edible oil has significantly risen, prompting price adjustments.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/price-hikes-loom-for-essentials-electronics-as-companies-tackle-rising-costs/articleshow/117612039.cms>

Agriculture

India, China must explore partnerships in agriculture to benefit combined populations

Amid the changing global landscape, India and China have a unique opportunity to redefine their bilateral relationship, shifting the focus from border disputes to mutually beneficial partnerships in agriculture. India, aiming to become a \$30 trillion economy by 2047 and China is balancing manufacturing efficiency with sustainability, face shared challenges in achieving food security while reducing environmental damage.

<https://www.thehindubusinessline.com/economy/agri-business/india-china-must-explore-transformative-partnerships-in-agriculture-says-vimal-kumar/article69145937.ece>

India's wheat procurement unlikely to be hit by higher market price

Despite wheat prices ruling high currently in the market, the government is optimistic about good procurement when the rabi marketing season begins. Its view is based on the 2023-24 purchases, which was 40 per cent higher than the previous season despite higher inflation of 17 per cent just before the harvest began. The procurement by the Food Corporation of India and other agencies dropped to 16-year low of 188 lakh tonnes (lt) in 2022-23.

<https://www.thehindubusinessline.com/economy/agri-business/indias-wheat-procurement-unlikely-to-be-hit-by-higher-market-price/article69146998.ece>

Infrastructure

Union Budget 2025: Govt set to prioritise railways over highways in fund allocation

The upcoming Union Budget for 2025-26 is expected to prioritise the railways sector over highways, marking a strategic shift in infrastructure focus. According to a report by Nuvama, railways are likely to receive increased allocations, bringing them closer to the funding levels of the highways sector. In the previous financial year (FY24), the highways sector was allocated Rs 2.70 lakh crore. However, the upcoming budget is anticipated to lean in favour of railways, reflecting the government's changing infrastructure priorities.

<https://www.financialexpress.com/budget/union-budget-2025-govt-set-to-prioritise-railways-over-highways-in-fund-allocation-3727559/>

Flexible workspace operators bullish on growth, raise equity: Report

Flexible office space providers are bullish on demand for managed workspace during 2025 as corporates look for agile and cost-effective solutions to reduce overheads. Many flexible workspace operators are expected to hit capital markets this year to raise funds for the expansion of their businesses. The overall gross leasing of office spaces across major seven cities hit an all-time high in 2024.

https://www.business-standard.com/industry/news/flexible-workspace-operators-bullish-on-growth-raise-equity-report-125012700509_1.html

Indian aircraft MRO sector to grow 50% in topline by FY26, says Crisil

The Indian aircraft maintenance, repair and overhaul (MRO) industry is expected to see a 50 per cent topline growth to Rs 4,500 crore in FY26 amid fresh demand triggered by airline operators' expanding fleet size, ratings agency Crisil said on Monday. The rating agency's study based on three MRO operators, which account for 90 per cent of the industry's revenue, also pointed out that reduction in GST on aircraft components and services not only positions domestic MRO players more competitively with their overseas competitors but also ease their working capital blockage.

https://www.business-standard.com/industry/news/indian-aircraft-maintenance-repair-overhaul-biz-to-see-50-pc-topline-growth-in-fy26-crisil-125012700732_1.html

Highway development gave a boost to economic growth: IIM Bangalore Study

According to the preliminary report, done by the Indian Institute of Management Bangalore's Supply Chain Management Centre (IIMB-SCMC) in partnership with the National Highways Authority of India (NHAI) to assess the socio-economic impact of national highway development during 2013 and 2022, each unit of expenditure made on highway construction resulting in a 3.21 unit increase in GDP growth.

<https://economictimes.indiatimes.com/news/economy/infrastructure/highway-development-gave-a-boost-to-economic-growth-iim-bangalore-study/articleshow/117603649.cms>

Undersea Cables | A turbo boost to internet capacity

Massive growth in connectivity demand in India – driven by the widespread adoption of smartphones and affordable data rates – has led to increased capacity requirements, and construction of undersea cables is growing to meet this demand. At present, India is connected by 18 international undersea cable systems that land at 14 distinct stations across five major cities. These systems collectively provide a capacity of about 138.55 terabits per second (Tbps), with approximately 111.11 Tbps actively utilised. The future scenario of undersea optic cables – the unseen backbone of the global internet – looks promising with upcoming projects such as the 2Africa Pearls cable and the India-Europe Express (IEX). These projects are expected to significantly enhance capacity.

<https://www.financialexpress.com/business/infrastructure-undersea-cables-a-turbo-boost-to-internet-capacity-3727682/>

India's port cargo rises 3.2% in December on higher container volumes

India's 12 major ports, owned by the central government, handled 72.2 million tonnes (mt) of cargo in December, registering a growth of 3.22 per cent — primarily due to a sizeable decline in iron ore cargo and rising container volumes. Coal volumes across sectors also saw annual contractions. Volumes of thermal coal, which account for 12 per cent of total cargo volumes for major ports, fell marginally to 8.7 mt, while coking coal cargo dropped by 4 per cent to 2.9 mt. Meanwhile, coal (other than thermal/coking) nearly halved to 2.5 mt last month. Similarly, iron ore volumes were down by 31 per cent.

https://www.business-standard.com/industry/news/major-port-cargo-grew-by-3-2-per-cent-in-december-125012701221_1.html

Energy

India may add 8 GW of thermal power capacity in FY25 against 15 GW target

India is expected to add around 8,000 MW of thermal power capacity by the end of this financial year, falling short of the 15,000 MW target due to delays in project commissioning. Contributing factors include land acquisition issues and material supply delays. Thermal power remains crucial, despite the nation's significant push toward renewable energy sources.

<https://economictimes.indiatimes.com/industry/energy/power/india-may-add-8-gw-of-thermal-power-capacity-in-fy25-against-15-gw-target/articleshow/117610238.cms>

Telecom

Telecom firms request 2-year extension for compliance with DPDP Act rules

Private telecom operators have requested an extension of two years to comply with the provisions of the Digital Personal Data Protection (DPDP) Act after the rules are notified, citing concerns over the compliance burden, according to a report by Moneycontrol. Earlier this month, telecom companies held discussions with officials from the Department of Telecommunications (DoT) to address concerns regarding the DPDP rules. Key issues raised included the roles and responsibilities of consent managers, the compliance challenges, and the duplication of processes, according to sources familiar with the matter.

https://www.business-standard.com/industry/news/dpdp-act-telecom-compliance-extension-india-125012700874_1.html

States

Union Budget: Mandi's handloom industry seeks skill development for youth and support for business growth

The handloom industry in Himachal Pradesh's Mandi region is seeking support in the upcoming Union Budget. Local artisans, including weavers and sheep herders, hope for provisions to train youth in handloom skills through ITI programs and special school classes under the Skill Development Program.

<https://www.thehindubusinessline.com/multimedia/video/union-budget-mandis-handloom-industry-seeks-skill-development-for-youth-and-support-for-business-growth/article69145860.ece>

Healthcare

Asian healthcare market to touch \$5 trillion by 2030, says BCG report

The Asian healthcare market is on track to hit \$5 trillion by 2030, driving 40 per cent of global sector growth, according to BCG. BCG's report titled 'The unmissable Asia healthcare opportunity' stated that this expansion would be fuelled by rapid demographic shifts, investment influxes, and groundbreaking technology applications. Interestingly, Asia accounts for 22 per cent of global healthcare spending despite being home to 60 per cent of the global population. Chronic conditions such as diabetes and cancer affect the region disproportionately, and the region will have to find its own unique healthcare models to manage this disease burden. Of the top five prevalent cancers in Asia, liver and stomach cancer have a lower prevalence in the West, which means that Asia will need to invent its own solutions, BCG said.

https://www.business-standard.com/health/asian-healthcare-market-to-touch-5-trillion-by-2030-says-bcg-report-125012700809_1.html

External

Govt upgrades platform to issue certificates of origin

To simplify the certification process for exporters and enhance trade efficiency, the government Monday said it has upgraded its system of issuing electronically generated certificate of origin to help exporters. The document is important to claim duty concessions under free trade agreements as it proves where the goods originate.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/govt-upgrades-platform-to-issue-certificates-of-origin/articleshow/117608525.cms>

Centre initiates anti-dumping probe into PVC resin imports from EU, Japan

India has initiated a probe into the alleged dumping of PVC paste resin, used to make artificial leather and other technical textiles' products, from the European Union (EU) and Japan, according to a notification. The commerce ministry's investigation arm, Directorate General of Trade Remedies (DGTR), is probing the dumping as imports are allegedly hurting the margins of the domestic industry. Chemplast Sanmar Ltd has filed an application seeking the imposition of anti-dumping duty, stating that the cheap imports are causing material injury to the domestic industry.

https://www.business-standard.com/economy/news/centre-initiates-anti-dumping-probe-into-pvc-resin-imports-from-eu-japan-125012700414_1.html

Trump vows tariffs on nations that 'harm' US; names India, China, Brazil

The United States will impose tariffs on the countries that "harm" America, President Donald Trump has said, as he named China, India and Brazil as high-tariff countries. We're going to put tariffs on outside countries and outside people that really mean harm to us. Well, they mean us harm, but they basically want to make their country good, Trump told House Republicans at a Florida retreat on Monday, the first after he became the president for the second term last week.

https://www.business-standard.com/economy/news/trump-vows-tariffs-on-nations-that-harm-us-names-india-china-brazil-125012800115_1.html

UK trade secy Jonathan Reynolds to visit India in Feb for FTA talks

Britain's Secretary of State for Business and Trade, Jonathan Reynolds, on Monday revealed plans to visit India next month with a focus on finalising the Free Trade Agreement (FTA) negotiations as part of the UK government's ambition to elevate the bilateral partnership across all sectors. Addressing India Global Forum's (IGF) annual UK-India Parliamentary Lunch at the House of Lords complex in London, Reynolds highlighted the strength of the bilateral trading relationship which stood at GBP 41 billion in the year until September 2024.

https://www.business-standard.com/external-affairs-defence-security/news/uk-trade-secy-jonathan-reynolds-to-visit-india-in-feb-for-fta-talks-125012701453_1.html

India's finished steel imports from China hit 7-year high in April-Dec

India's finished steel imports from China touched their highest levels in at least seven years during the first nine months of the financial year that began in April, according to provisional government data reviewed by Reuters on Monday. China, the world's top steel producer, shipped 2.1 million metric tonnes of finished steel to India during April-December, up 13.3 per cent year-on-year, the data showed. Shipments from China, South Korea and Japan accounted for 79 per cent of India's overall finished steel imports during the period.

https://www.business-standard.com/economy/news/india-s-finished-steel-imports-from-china-hit-7-year-high-in-april-dec-125012700432_1.html

Mobile app revenue hits \$150 billion in 2024, India leads growth amid slowing global usage

Global in-app purchase (IAP) revenue reached \$150 billion across iOS and Google Play in 2024, according to the State of Mobile 2025 report by Sensor Tower. This represents a 13% year-on-year (YoY) increase — the highest growth rate since 2021. The figure includes consumer spending on in-app purchases, subscriptions, and paid apps, reflecting the rapid acceleration of mobile monetisation. The report also highlights that mobile users spent an unprecedented 4.2 trillion hours on apps last year, averaging 3.5 hours per day per user. However, global growth in mobile usage appears to be slowing. While time spent on apps rose by 5.8% YoY, this was a drop from the 7.7% increase recorded in 2023. Digital fatigue is evident in mature markets like the United States, Japan, South Korea, and China, where usage has plateaued.

<https://www.financialexpress.com/life/technology-mobile-app-revenue-hits-150-billion-in-2024-india-leads-growth-amid-slowing-global-usage-3727202/>

EAM Jaishankar begins three-day UAE visit to strengthen bilateral ties

External Affairs Minister S Jaishankar on Monday embarked on a three-day visit to the United Arab Emirates (UAE) to further enhance India's comprehensive strategic partnership with the influential Gulf nation. The Ministry of External Affairs (MEA) said Jaishankar will meet the leadership of the UAE to review the close partnership between the two countries. It said the visit will provide an opportunity to "advance" the India-UAE comprehensive strategic partnership and "add new momentum" to the ties.

https://www.business-standard.com/external-affairs-defence-security/news/eam-jaishankar-begins-three-day-uae-visit-to-strengthen-bilateral-ties-125012700315_1.html